



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

April 28, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

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Third District

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Fifth District

REPORT ON THE LOS ANGELES COUNTY WORKFORCE STIMULUS PLAN

On March 3, 2009, your Board directed the Chief Executive Office to report back in 60 days regarding the feasibility of coordinating employment opportunities for unemployed CalWORKs and non-CalWORKs clients with County departments, private sector, non-profit organizations, and other municipalities.

The County of Los Angeles is anticipating receipt of American Recovery and Reinvestment Act (ARRA) Stimulus funding, including an estimated \$159 million in Fiscal Year (FY) 2009-10, to the Department of Public Social Services (DPSS) in Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds (ECF) for subsidized employment. In addition, the Department of Community and Senior Services (CSS) is anticipating receipt of an estimated \$33.6 million in Workforce Investment Act (WIA) funds for youth, adult, and dislocated workers. This one-time funding creates a window of opportunity to provide subsidized employment and job training for Greater Avenues for Independence (GAIN) participants, as well as other unemployed individuals. The goal of the plan is to place 10,000 participants in subsidized employment and/or job training slots in the public, private, and non-profit sectors.

Given that ARRA encourages channeling funds in a timely and efficient manner through existing programs and not creating new mechanisms for implementation that cannot be sustained beyond the 18-month period, both DPSS and CSS will utilize their existing contracts and program infrastructure. Further, supplanting funding for existing programs is prohibited under ARRA.

"To Enrich Lives Through Effective And Caring Service"

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The Los Angeles County Workforce Stimulus Plan is consistent with Governor Arnold Schwarzenegger's April 24, 2009, letter to city and County elected officials, where he urges the use of Local Workforce Investment Boards (LWIB) to ensure Recovery Act funding is expended quickly and effectively to assist unemployed Californians in job training and finding new jobs.

TANF EMERGENCY CONTINGENCY FUND GUIDELINES

TANF ECF funds are available to cover 80 percent of California's increased TANF/CalWORKs expenditures in three categories which are incurred in Federal Fiscal years (FFYs) 2009 and 2010. The three categories of covered expenditures are basic assistance, subsidized employment, short-term, and non-recurrent benefits. Funds must be expended by September 30, 2010.

On April 3, 2009, the Federal Administration for Children and Families (ACF) issued initial guidance to States regarding claiming from the ECF. Key federal instructions include:

- The State will be able to apply for quarterly advance ECF grant awards based on estimates of expenditures for the upcoming quarter. Adjustments will be made to ECF grant awards after final expenditure data is reported to and reviewed by ACF. The State has requested quarterly estimates from DPSS and is preparing their first request to ACF.
- Increased expenditures associated with subsidized employment, not just wage costs, will be eligible for 80 percent funding from the ECF.
- Third-party expenditures, including an employer's wage, supervision, and training costs can count as allowable expenditures.

The California Department of Social Services (CDSS) has embraced the goal of "not leaving ECF available to California on the table." Accordingly, CDSS is committed to enabling Counties to use as much of the ECF as possible, which will not otherwise be used by the State.

The CDSS and the County Welfare Directors Association of California have formed a joint workgroup with the goal of developing a proposed joint approach to County access to the ECF. The CDSS will discuss the results of the workgroup with the California Health and Human Services Agency and the Department of Finance. Depending on the substance of those results, CDSS foresees that the Governor's May Revision may need to address County access to the ECF. Instructions to Counties from the State have not been issued as of this writing.

South Bay Workforce Investment Board (SBWIB) Contract

The Transitional Subsidized Employment (TSE) program provides subsidized employment opportunities for CalWORKs participants. Typically, work assignments are in public agencies or private non-profits. TSE helps overcome barriers to employment through fully supervised, paid work experience, and paid on-the-job training (OJT) with the goal of enabling the participant to secure unsubsidized employment after completion of TSE. Currently, TSE is provided through a contract between DPSS and the SBWIB, which in turn sub-contracts with 14 One-Stop/WorkSource Centers located throughout the County. The SBWIB has already solicited the remaining 31 One Stop/WorkSource Centers that are not currently part of the TSE program to sign-up to participate.

In the current DPSS TSE program, the SBWIB fulfills several key administrative functions:

- Employer-of-record for CalWORKs participants who are paid to work in public agencies and non-profit organizations: SBWIB issues paychecks to the participants/employees, covers payroll taxes, and provides workers compensation insurance;
- Executes worksite agreements with participating public agencies and non-profit organizations;
- Maintains contracts with the WorkSource Centers who work directly with participants and participating employers;
- For on-the-job training, SBWIB provides wage subsidies to private-sector employers who hire a participant as their own employee.

Additionally, SBWIB will issue a solicitation for qualified entities to perform the same functions as the WorkSource Centers. The solicitation document will include a precise definition of a qualified entity. This solicitation will apply countywide, but specifically identify any areas of the County where there is no or limited participation by WorkSource Centers (30 of the 45 WorkSource Centers in the County are on track to participate). This solicitation will focus on private-sector employment, since the primary experience of the WorkSource Centers is in the public and non-profit sectors. Specifically, we intend to have non-WorkSource Center sub-contractors focus on private-sector placements for the first three months of their contracts, and will assess after three months whether to broaden their scope.

Using the existing SBWIB contract, DPSS will expand TSE through June 30, 2009. With stimulus funding, DPSS will be immediately able to initiate referrals. Additionally, the DPSS Director has delegated authority to amend the contract up to 20 percent of the total contract

amount of \$24,283,082 without Board approval. By July 1, 2009, the DPSS-SBWIB contract should be amended to accommodate additional slots.

Work Study in Public Agencies (WSPA)

The WSPA program provides part-time paid internships to CalWORKs students enrolled in community colleges. The program enhances the student's educational program by providing paid experience in a work setting related to the students' courses of study. The County's partners in this area are the SBWIB, 14 community colleges, and 15 other County departments/public agencies. The SBWIB is the employer of record and the CalWORKs students work in a County department or other public agency. This program could be expanded to include additional CalWORKs participants attending community college.

Currently, DPSS pays for 25 percent of the student's wages (\$9.00 an hour). The community colleges pay 75 percent. With the receipt of Stimulus funds, the cost sharing ratio could be modified to allow the colleges to pay a lower ratio and thereby expand the number of slots.

As with TSE above, we will use the existing DPSS SBWIB contract to expand WSPA. The amount of the current contract budget that is dedicated to WSPA is \$1 million. For the new Fiscal Year (FY), we would anticipate augmenting the SBWIB contract amount to accommodate the additional funding.

WORKFORCE INVESTMENT ACT (WIA) GUIDELINES

The State Employment Development Department (EDD) on April 10, 2009, announced the ARRA WIA funding allocations for the 49 LWIAs in California. CSS, as the Los Angeles County LWIA, one of seven LWIAs in the County, received a total allocation of \$33.6 million for its employment and training programs. The funding detail is as follows: (1) adult program \$6.4 million; (2) dislocated worker \$11.1 million; (3) youth \$14.9 million, and (4) rapid response \$1.2 million.

WIA funds must be expended by June 30, 2011. However, all federal guidance issued to date regarding the WIA Stimulus program emphasizes that it is Congress' intent, as well as that of the Administration, that the majority of these funds be utilized within the first year of availability. The U.S. Department of Labor has also made clear that it expects that local areas will use a significant portion of youth funds for summer employment program activities and that these funds will be utilized in the summer of 2009.

CSS Plan for Delivery of Services

CSS and the Los Angeles County WIB have developed a plan to utilize WIA Stimulus funding and to achieve the training, services, and employment objectives envisioned under

ARRA. Based on clear and definitive expectations at all levels of government that ARRA's WIA funds be spent expeditiously and effectively, WIA Stimulus funded services will be delivered through existing CSS WIA systems and providers.

The County's WIB is requiring that 70 percent of all participants enrolled in WIA services be low-income or recipients of public assistance. This priority of service will increase the enrollment of foster youth, probation youth, adults, GAIN, and General Relief clients. In addition, there will be a five percent requirement to serve Veterans and Mature Workers.

Adult and Dislocated Worker Programs

WIA requires that a one-stop system be established as the mechanism for job seekers to access core, intensive, and training services. ARRA makes no changes to delivery system requirements. Even prior to the implementation of WIA, a network of one-stops (the WorkSource Centers) was established in the County. The County will utilize the network of 20 procured full-service and satellite centers to deliver adult and dislocated worker services under the WIA Stimulus Program.

The WorkSource Center network will also provide rapid response services, including orientations on the workforce network and unemployment insurance benefits, to those employees identified by companies which are experiencing a significant downsizing or plant closure. As part of rapid response layoff aversion services, the WorkSource Centers partner with the local and regional economic development corporations to address the needs of companies which experience a downturn, as well as those that consider leaving the State.

Emphasis for the WIA adult and dislocated workers Stimulus funding includes occupational training with institutional/classroom programs delivered by public and private schools, including community colleges and universities, on the WIA Eligible Training Provider List (I-TRAIN) and work-based programs, which include customized training and OJT programs.

It is anticipated that 1,500 to 1,800 adults and dislocated workers will receive employment and training services under this grant.

Youth Programs

CSS currently contracts with 16 organizations to deliver WIA youth services and will utilize this network of Youth Centers to deliver all ARRA WIA Youth Services. A significant portion of the WIA Youth ARRA Stimulus funding will create and expand subsidized employment opportunities and supportive services for youth during the summer of 2009. Occupations include painting, carpentry, bus operations, salesperson/outside, clerical/office, working at the YMCA, general maintenance, other municipal employment, security, and

instructors/schools. Work locations may include municipalities, community-based organizations, and County departments.

Additionally, youth will receive services from the traditional WIA youth program, which provides long-term services throughout the duration of the grant. Types of services include: (1) tutoring and study skills preparation; (2) summer employment opportunities linked with academic and occupational learning; (3) paid and unpaid work experience; (4) occupational skills training, (5) leadership development, (6) career exploration, and (7) supportive services.

ARRA extends the age of youth to 24 to allow programs to reach young adults who have become disconnected from both education and the labor market. Eligible youth, ages 14-24, are those who meet WIA income criteria and demonstrate specific barriers to employment such as: (1) school dropouts; (2) individuals who are basic skills deficient; (3) pregnant or parenting; (4) disabled; (5) homeless or runaways; (6) offenders; or (7) are one or more grade levels below the grade level appropriate to the age of the youth.

It is anticipated that approximately 4,500 to 5,000 youth will enroll in the program for a minimum of 140 hours of work experience at an hourly rate of \$8.00 dollars.

Special County Projects, Priorities and Initiatives

In order to coordinate the WIA program with other County ARRA efforts and plans, CSS will utilize the WIA Stimulus Plan as described herein in connection with the County initiatives such as the Florence-Firestone Youth Demonstration Project (FFCET), Gang Prevention Initiative, County Vendor Requirements, and General Relief Youth Job Training Project.

WIB PRIORITIES

WIB Industry-Based Training Priority

Thirty-five percent of all WIA-ARRA Adult and Dislocated funds will be reserved for a combination of training and support/needs-based payments. The WIB will identify targeted industry sectors, which respond to employers' training needs, to be given priority.

High-Growth and High-Demand Jobs Initiative

As ARRA emphasizes the need to target high-growth/high-demand occupations and higher-education providers such as the community colleges and universities (including the University of Southern California) may provide such training to WIA participants. County WIA contractors would access these training programs on behalf of their clients through the existing Individual Training Account (ITA) system available through I-TRAIN. Industries which are considered high growth and high demand: Green Sector, including public utilities,

transportation, government, Information Technology, waste reduction, solar, retail and manufacturing; and the Healthcare industry will continue to be a high demand sector.

Coordination of WIA and Older American Act Title V Employment Programs

As CSS administers employment programs funded under both WIA and Title V of the Older Americans Act, our office has requested that CSS and the WIB develop strategies to coordinate Stimulus funded activities between the two programs in order to ensure that mature workers receive the necessary services and support to benefit from employment opportunities identified under ARRA.

Regional Coordination

The County, CSS and the WIB are committed to participating in regional planning on the use of WIA Stimulus funds, which will include working with the Los Angeles Regional Workforce Collaborative headed by the Los Angeles Chamber of Commerce. In addition, CSS will participate in a TSE steering committee, including Department of Human Resources, DPSS, SBWIB, and CEO. The steering committee will review SBWIB's coordination of jobs in the County to ensure the smooth identification of job slots, review any issues related to hiring, and assist with addressing any identified barriers to filling County slots with TSE participants.

ACTIONS NEEDED

DPSS

Within the existing SBWIB contract, DPSS will need to allocate funds to augment the contract budget and begin making referrals to the contractor.

With a contract amendment, DPSS will need to allocate funds to augment the contract budget and recommend that the Board approve an amendment with a target date of June 2009. In addition, DPSS will need to alleviate the cash flow problems for the contractor. The payroll obligations of the SBWIB as the intermediary contractor will be significant. In the current process, they are paid in arrears based on actual expenses incurred. This creates a cash flow issue for them as they must front the money. It would be necessary to establish an advance process in the SBWIB contract to ensure they can accommodate the payroll.

CSS

CSS will need the Board of Supervisors' approval for advance payments to youth job contractors. As participants salaries are subsidized, contractors need funding to provide

salaries and required fringe benefits. CSS anticipates a Board letter request in May 2009 for the advance payments.

Identifying 10,000 Jobs

The work of identifying 10,000 jobs and/or job training opportunities throughout the County has been and will continue to be a broad-based, collaborative effort involving multiple stakeholders comprised of County departments, private and non-profit sector alliances, institutions of higher education, and the WIB. To that end, collaboration to identify placements and streamline referrals has been initiated with the following entities:

- Los Angeles Regional Workforce Collaborative, headed by the Los Angeles Chamber of Commerce
- Center for Nonprofit Management
- United Way
- Los Angeles County Economic Development Corporation
- United Job Creation Council
- County Departments will ensure referrals of target populations for various programs.

In addition, the CEO will be issuing a memo to Department Heads encouraging the use of temporary stimulus workers. Further, Board Policy 5.050: GAIN/GROW language will be used in all new County contracts, renewals, and amendments that encourage consideration of GAIN/GROW participants for employment.

We will ensure that the labor unions are notified of the County's plans in accordance with State regulations, although there is no impact on the employees represented by labor unions.

As illustrated in this memo, the County has an unprecedented opportunity to provide individuals with meaningful work and job training experiences. It is our intent to offer these services in the most efficient and effective manner.

If you have any questions or need additional information, please let me know, or your staff may contact Jenny Serrano at (213) 974-0801, or via e-mail at jserrano@ceo.lacounty.gov.

WTF:SRH:MS
JS:cvb

c: Board Executive Office
Director of Community Senior Services
Director of Public Social Services